



04034174

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS

Hauser, Inc.

Exact Name of Registrant as Specified in Charter

0000773723

Registrant CIK Number

Form 8-K For 6/29/04

Electronic Report, Schedule or Registration
Statement of Which the Documents Are a Part
(give period of report)

0-17174

SEC File Number, if available

JUN 29 2004

PROCESSED


JUN 29 2004

THOMSON
FINANCIAL

SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of El Segundo, State of California on the 21 day of June 2004.

HAUSER, INC.

By: 
Name: Kenneth C. Cleveland
Title: President and Chief Executive Officer

**IN ACCORDANCE WITH RULE 202 OF REGULATION S-T, THIS MONTHLY
OPERATING REPORT FOR THE MONTH ENDED MAY 31, 2004 IS BEING FILED IN
PAPER FORMAT PURSUANT TO A CONTINUING HARDSHIP EXEMPTION**

**MONTHLY OPERATING REPORT
FOR THE MONTH ENDED MAY 31, 2004**

OF

**HAUSER, INC. AND ITS WHOLLY OWNED SUBSIDIARIES BOTANICALS
INTERNATIONAL EXTRACTS, INC., HAUSER TECHNICAL SERVICES, INC. AND
ZETAPHARM, INC.**

Office of the United States Trustee

In re: Hauser, Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18795-BB

Debtor in Possession Interim Statement

Statement Number: 14
For the period-

5/1/2004
5/31/2004

FROM: 15 P 3 11
TO:

CASH ACTIVITY ANALYSIS (Cash Basis Only)	General Account	Payroll Account	Tax Account
A. Total Receipts per all Prior Interim Statements	33,064,098	-	-
B. Less: Total Disbursements per all Prior Statements	32,393,454	-	-
C. Beginning Balance (A less B)	670,644	-	-
D. Receipts during Current Period (Describe each receipt; Attach Separate Listing if Necessary)			
5/4: Refund from ADP/ State of Colorado (payroll taxes withheld twice)	2,768		
5/7: Refund from UPS	73		
5/14: Collection from A/R collection agency	227		
5/19: Refund from VSP & ACT; El Segundo deposit return	4,705		
5/25: Refund from Quest International	1,378		
5/30: Interest Earned Trust Account	129		
From Detail Sheet "D"	-	-	-
TOTAL RECEIPTS THIS PERIOD (D):	9,279	-	-
E. Balance Available (C plus D)	679,923	-	-
F. Less: Disbursements during Current Period (Describe "date", "Check#", "Payee/Purpose"; Attach separate listing if needed)			
5/4: Advance to HTS	170,000		
From Detail Sheet "F"	88,769	-	-
TOTAL DISBURSEMENTS HIS PERIOD (F):	258,769	-	-
G. Ending Balance (E less F)	421,155	-	-

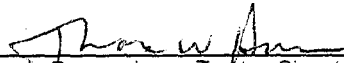
H. Depositories	Depository Name	Depository Location	Account Number
(1) General Account	Wells Fargo Bank - Los Angeles, CA		4945 063790
(3) Trust Account	Wells Fargo Bank - Los Angeles, CA		883-6148216
(4) Tax Account	none		

I. Other monies on hand (Specify type and location) (i.e. Certificates of Deposit, Petty Cash):

Type	Location	
Petty Cash	San Marino, CA	not to exceed \$200
Petty Cash	Denver, CO	not to exceed \$250

I, (Print Name:) Thomas W. Hanlon, Chief Financial Officer, declare under penalty of perjury that the information contained in the above Debtor in Possession Interim Statement is true and complete to the best of my knowledge.

Dated: June 4, 2004


Debtor In-Possession or Trustee Signature
Chief Financial Officer

Office of the United States Trustee

In re: Hauser, Inc.
A Delaware Corporation

Chapter 11 Case No:

Debtor
LA 03-18795-BB

Debtor In Possession Interim Statement

Statement Number:

14

For the period-

FROM:

5/1/2004

TO:

5/31/2004

[illegible]

In re: Hauser, Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18795-BB

Statement Number: 14
For the period-
FROM: 5/1/2004
TO: 5/31/2004

DEBTOR IN POSSESSION INTERIM STATEMENT
Detail Sheet "F" - Page 3 of 5

Hauser, Inc.
Debtor In Possession Interim Statement #14
May 1 to May 31, 2004
Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
1	001324	5/4/2004 KENNETH CLEVELAND & ASSOC	4,000		4,000	Executive Management Services	Payroll
2	001325	5/4/2004 J. E. FADLEY	2,930		2,930	Professional Management Services	Payroll
3	001327	5/4/2004 VOID	-		-	Void	Void
4	001328	5/4/2004 VOID	-		-	Void	Void
5	005312	5/6/2004 ACORDIA	8,500		8,500	Liability Ins. 4/30/04-4/30/05	Insurance
6	005313	5/6/2004 AICCO	5,106		5,106	CRO General Liability Pmt	Insurance
7	005314	5/6/2004 KATHLEEN ATKINSON	1,208		1,208	Accounting Consulting	Payroll
8	005315	5/6/2004 ROBERT BUCK	881		881	Accounting Consulting	Payroll
9	005316	5/6/2004 THOMAS HANLON ASSOCIATES	2,704		2,704	Executive Management Services	Payroll
10	005317	5/6/2004 THOMAS HANLON	76		76	Expense Reimbursement	All Other Expenses
11	005318	5/6/2004 JEAN PAULSON-KISLESKY	713		713	HR Consulting	Payroll
12	005319	5/6/2004 STATE OF CA	25		25	Annual Statement of Info	All Other Expenses
13	005320	5/6/2004 STATE OF CO	25		25	Annual Statement of Info	All Other Expenses
14	005321	5/6/2004 US TRUSTEE PROGRAM	5,000		5,000	Qtr 1 Pmt, Hauser	All Other Expenses
15	005322	5/6/2004 US TRUSTEE PROGRAM	1,250		1,250	Qtr 1 Pmt, BIE	All Other Expenses
16	005323	5/6/2004 US TRUSTEE PROGRAM	250		250	Qtr 1 Pmt, ZetaPharm	All Other Expenses
17	005324	5/12/2004 KATHLEEN ATKINSON	1,111		1,111	Accounting Consulting	Payroll
18	005325	5/12/2004 KATHLEEN ATKINSON	78		78	Expense Reimbursement	All Other Expenses
19	005326	5/12/2004 AT&T	45		45	Cell Phone for R Buck	All Other Expenses
20	005327	5/12/2004 ROBERT BUCK	1,069		1,069	Accounting Consulting	Payroll
21	005328	5/12/2004 KENNETH CLEVELAND ASSOCIATES	4,000		4,000	Executive Management Services	Payroll
22	005329	5/12/2004 DUANE COWGER	500		500	IT Consulting	Payroll
23	005330	5/12/2004 J. E. FADLEY	2,930		2,930	Professional Management Services	Payroll
24	005331	5/12/2004 THOMAS HANLON ASSOCIATES	2,704		2,704	Executive Management Services	Payroll
25	005332	5/12/2004 SBC	222		222	Telephone for El Segundo	All Other Expenses
26	005333	5/12/2004 BDO SEIDMAN, LLP	5,912		5,912	Audit for HP 401K Plan	All Other Expenses
27	005334	5/12/2004 HTS	3,498		3,498	IT Service	All Other Expenses
28	005335	5/12/2004 METRIX	1,990		1,990	Environmental Site Assessment	All Other Expenses
29	005336	5/12/2004 JEAN PAULSON-KISLESKY	788		788	HR Consulting	Payroll
30	005337	5/12/2004 POSTAL PRIVILEGE	50		50	Postage, CA	All Other Expenses
31	6000	5/13/2004 VOID	-		-	Void	Void
32	6001	5/13/2004 VOID	-		-	Void	Void
33	6002	5/13/2004 VOID	-		-	Void	Void
34	6003	5/13/2004 VOID	-		-	Void	Void
35	6004	5/13/2004 VOID	-		-	Void	Void
36	6005	5/13/2004 VOID	-		-	Void	Void
37	6006	5/13/2004 VOID	-		-	Void	Void
38	6007	5/13/2004 VOID	-		-	Void	Void
39	6008	5/13/2004 VOID	-		-	Void	Void
40	6009	5/13/2004 VOID	-		-	Void	Void
41	6010	5/13/2004 VOID	-		-	Void	Void
42	6011	5/13/2004 VOID	-		-	Void	Void

Hauser, Inc.
Debtor In Possession Interim Statement #14
May 1 to May 31, 2004
Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
43	5/13/2004	VOID	-	-	-	Void	Void
44	5/13/2004	VOID	-	-	-	Void	Void
45	5/13/2004	VOID	-	-	-	Void	Void
46	5/13/2004	VOID	-	-	-	Void	Void
47	5/13/2004	VOID	-	-	-	Void	Void
48	5/13/2004	VOID	-	-	-	Void	Void
49	5/13/2004	VOID	-	-	-	Void	Void
50	5/13/2004	VOID	-	-	-	Void	Void
51	5/19/2004	AMERIGAS	522	-	522	Gas Cylinders Pick-Up/Cylinder charge	All Other Expenses
52	5/19/2004	BAY 4 CAPITAL	3,000	-	3,000	Phone Lease	All Other Expenses
53	5/19/2004	CO DEPT OF PUBLIC HEALTH	551	-	551	Annual Emissions Fee	All Other Expenses
54	5/19/2004	J. E. FADLEY	2,930	-	2,930	Professional Management Services	Payroll
55	5/19/2004	JEAN PAULSON-KISLESKY	563	-	563	HR Consulting	Payroll
56	5/19/2004	JEFF FADLEY	150	-	150	Expense Reimbursement	All Other Expenses
57	5/19/2004	KATHLEEN ATKINSON	1,033	-	1,033	Accounting Consulting	Payroll
58	5/19/2004	KENNETH CLEVELAND ASSOCIATES	4,000	-	4,000	Executive Management Services	Payroll
59	5/19/2004	ROBERT BUCK	1,369	-	1,369	Accounting Consulting	Payroll
60	5/19/2004	VOID	-	-	-	Void	Void
61	5/19/2004	VOID	-	-	-	Void	Void
62	5/19/2004	THOMAS HANLON	28	-	28	Expense Reimbursement	All Other Expenses
63	5/19/2004	VOID	-	-	-	Void	Void
64	5/19/2004	THOMAS HANLON ASSOCIATES	2,704	-	2,704	Executive Management Services	Payroll
65	5/26/2004	VOID	-	-	-	Void	Void
66	5/26/2004	IRON MOUNTAIN	84	-	84	May Records Mgmt	All Other Expenses
67	5/26/2004	J. E. FADLEY	2,930	-	2,930	Professional Management Services	Payroll
68	5/26/2004	JEAN PAULSON-KISLESKY	750	-	750	HR Consulting	Payroll
69	5/26/2004	KATHLEEN ATKINSON	1,610	-	1,610	Accounting Consulting	Payroll
70	5/26/2004	KENNETH CLEVELAND ASSOCIATES	4,000	-	4,000	Executive Management Services	Payroll
71	5/26/2004	ROBERT BUCK	956	-	956	Accounting Consulting	Payroll
72	5/26/2004	SBC	20	-	20	El Segundo Phone - final billing	All Other Expenses
73	5/26/2004	THOMAS HANLON ASSOCIATES	2,704	-	2,704	Executive Management Services	Payroll
74	5/26/2004	DUANE COWGER	200	-	200	IT Consulting	Payroll
75	ED0507B	INTUIT	280	-	280	QuickBooks Check Order	All Other Expenses
76	ED0514	UNITED PARCEL SERVICE	69	-	69	Shipping Expense	All Other Expenses
77	ED0520	WELLS FARGO	590	-	590	Client Analysis Service Charge	All Other Expenses
78	ED0521	UNITED PARCEL SERVICE	83	-	83	Shipping Expense	All Other Expenses
79	ED0528	UNITED PARCEL SERVICE	81	-	81	Shipping Expense	All Other Expenses
			88,769	-	88,769		

Debtor

Chapter 11 Case No: LA 03-18798-BB

For the period:

FROM: 5/1/2004

TO: 5/31/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
5/5/2004	12567	6800 Broadway Business Center, LLC	May Clear Creek Rent	24,400		
5/5/2004	12568	Woodspear Properties	May Gunbarrel Rent	17,116		
5/6/2004	12569	Payroll - Final Check	Payroll & Payroll Taxes	7,741		
5/6/2004	12570	Void - Misprint	0	0		
5/6/2004	12571	Ace Glass, Inc.	Other	122		
5/6/2004	12572	Advanced Trailer Leasing 004	Other	134		
5/6/2004	12573	Aetna (Dental)	May Dental Insurance Premium	2,562		
5/6/2004	12574	Airgas Dry Ice	Other	334		
5/6/2004	12575	AT&T Wireless Services	Other	90		
5/6/2004	12576	Attentive Action, Inc.	April Cleaning Service/Clear Creek	1,314		
5/6/2004	12577	Biopharma Compliance Services, LLC	Contract Project Services	3,200		
5/6/2004	12578	Biotest Diagnostics Corporation	Other	197		
5/6/2004	12579	Cleaning Service	Gunbarrel Cleaning Service	350		
5/6/2004	12580	Cole-Parmer Instrument Co.	Other	183		
5/6/2004	12581	Corporate Express	Other	268		
5/6/2004	12582	CRC Press I LLC	Dictionary of Natural Products Subscripti	1,730		
5/6/2004	12583	Cynthia S. Thompson	Mileage	31		
5/6/2004	12584	David Dunn	Mileage	158		
5/6/2004	12585	Denver Reserve	Monthly Service Fee	77		
5/6/2004	12586	Federal Express	Freight	859		
5/6/2004	12587	Hauser (Microbac)	Analytical Lab Services	3,610		
5/6/2004	12588	Inland Vacuum Industries	Other	65		
5/6/2004	12589	Janelle Bailey	Lab Supplies	36		
5/6/2004	12590	Jefferson Pilot Financial Insurance Co.	May Life Insurance Premium	820		
5/6/2004	12591	Kinderwater Environmental	Environmental Consulting Services	280		
5/6/2004	12592	Melissa Varner	Eli Lilly marketing lunch	48		
5/6/2004	12593	Quantum Analytics	Other	355		
5/6/2004	12594	QWEST - 023B (was 179B)	Other	164		
5/6/2004	12595	QWEST - 146B (was 421B)	Other	308		
5/6/2004	12596	Qwest - 922B (was 612B)	Other	47		
5/6/2004	12597	Qwest 231B	Phone Service/Clear Creek	965		
5/6/2004	12598	Sean Garrett	Batteries & Mileage	110		
5/6/2004	12599	Sigma-Aldrich	Chemicals	538		
5/6/2004	12600	Spectrum Chemicals & Laboratory Products	Other	39		
5/6/2004	12601	Top Hat Supply Company	Janitorial Supplies	336		
5/6/2004	12602	Tri-R Systems, Inc.	Other	58		
5/6/2004	12603	U.S. Trustee	1st Qtr 2004 Chapter 11 fees	5,000		
5/6/2004	12604	UDI, The Sandwichman	Other	154		
5/6/2004	12605	V W R Scientific, Inc.	Lab equipment & supplies	1,710		
5/6/2004	12606	Vision Service Plan	May Vision Insurance Premium	186		
5/12/2004	12607	Agilent Technologies	Column for Project	795		
5/12/2004	12608	Airgas Dry Ice	Other	140		
5/12/2004	12609	Aramark	Other	180		
5/12/2004	12610	Federal Express	Other	471		
5/12/2004	12611	Full Spectrum Analytics, Inc.	Monthly Service Contract	5,854		
5/12/2004	12612	GE Capital	Personal prop tax on leased copier	27		
5/12/2004	12613	Inland Vacuum Industries	Other	130		
5/12/2004	12614	Jackie L. Nelson	Mileage	43		
5/12/2004	12615	Jeol USA, Inc.	Monthly Service Contract	1,560		
5/12/2004	12616	Kathy Granillo	Office Supplies	42		
5/12/2004	12617	Linweld, Inc.	Other	95		
5/12/2004	12618	Mile Hi Culligan Water, Inc.	Other	155		
5/12/2004	12619	Motion Telecom, Inc (was Univance)	Other	188		
5/12/2004	12620	Mtech	Equipment Repair	2,358		

DEBTOR IN POSSESSION INTERIM STATEMENT

Revised February 2002

Detail Sheet "F" - Page 2 of 3

USTLA-3

Debtor

Chapter 11 Case No: LA 03-18798-BB

Statement Number:

14

For the period:

FROM:

5/1/2004

TO:

5/31/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
5/12/2004	12621	Office Depot - Void	Void	0		
5/12/2004	12622	QA Balance Services, Inc.	Instrument Calibration	1,417		
5/12/2004	12623	QWEST - 564B (was 701B)	Other	50		
5/12/2004	12624	Qwest 230M	Other	139		
5/12/2004	12625	Qwest 692B (was 723B)	Gunbarrel Phone Service	942		
5/12/2004	12626	RDH, Inc	Supplies for Project	502		
5/12/2004	12627	Super Tech Filter Corp	Other	68		
5/12/2004	12628	Todd Klimkowsky	Mileage & Supplies	137		
5/12/2004	12629	Waste Management of Denver	Waste Pickup	55		
5/12/2004	12630	Waters Corporation	Monthly Service Contract	2,685		
5/20/2004	12631	bioMERIEUX VITEK, INC.	Other	92		
5/20/2004	12632	Biopharma Compliance Services, LLC	Contract Project Services	2,880		
5/20/2004	12633	CGLIC-Phoenix EASC	May Medical Insurance Premium	29,389		
5/20/2004	12634	GE Capital	Copier Leases	589		
5/20/2004	12635	Industrial Chemicals Corporation	Alcohol for Project	1,015		
5/20/2004	12636	Industrial Container Services	Other	305		
5/20/2004	12637	INFOTRAC, Inc.	Emergency Hazmat Notification Service	370		
5/20/2004	12638	Mtech	Building Maintenance	696		
5/20/2004	12639	Polymer Laboratories, Inc.	Column for Project	1,195		
5/20/2004	12640	QWEST - 469B	Other	387		
5/20/2004	12641	RDH, Inc	Other	238		
5/20/2004	12642	Restek Corporation	Other	126		
5/20/2004	12643	USFilter	Other	210		
5/20/2004	12644	W W Grainger, Inc.	Other	93		
5/20/2004	12645	Xcel Energy (Clear Creek)	Clear Creek April Utilities	9,502		
5/20/2004	12646	Xcel Energy (Gunbarrel)	Gunbarrel April Utilities	1,633		
5/27/2004	12647	Denver Reserve	Payroll Deductions/fees	1,953		
5/27/2004	12648	HAZMATPAC	Other	258		
5/3/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	5,733		
5/13/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	5,796		
5/30/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	5,771		
5/15/2004	Wire Trnsf	Payroll 5-13 - Direct Deposit	Payroll & Payroll Taxes	40,738		
5/15/2004	Pyrl Cks	Payroll 5-13 - Taxes	Payroll & Payroll Taxes	24,690		
5/15/2004	Wire Trnsf	Payroll 5-13 - Checks	Payroll & Payroll Taxes	9,529		
5/26/2004	Wire Trnsf	Payroll 5-27 - Direct Deposit	Payroll & Payroll Taxes	40,035		
5/26/2004	Wire Trnsf	Payroll 5-27 - Taxes	Payroll & Payroll Taxes	20,685		
5/27/2004	Wire Trnsf	Payroll 5-27 - Checks	Payroll & Payroll Taxes	9,456		
5/7/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	218		
5/14/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	139		
5/21/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	208		
4/20/2004	Acnt Trnsf	Wells Fargo	# Bank Fee	516		
TOTAL DISBURSEMENTS on this page: (total will automatically carry to p1)				308,173	0	0

In re: Botanicals International Extracts Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18788-BB

Debtor In Possession Operating Report

Report Number: 14

For the period: JUN 15 P 3: 11
FROM: May 1, 2004
TO: May 31, 2004

1. Profit and Loss Statement (Accrual Basis Only)**A. Related in Business Operations:****INCOME**

Gross Sales
(Sales Returns and Discounts)
Net Sales
Beginning Inventory at Cost
Add: Purchases
Less: Ending Inventory at Cost
Cost of Goods Sold
Gross Profit
Other Operating Revenues - Rentals
Total Income

EXPENSES

Officer Compensation
Salaries and Wages - Other Employees
Employee Benefits and Pensions
Total Employee wages, benefits, and pensions
Payroll Taxes
Real Estate Taxes
Federal and State Income Taxes
Total Taxes
Rent and Lease Exp. (Real and Personal Property)
Interest Expense (Mortgage, Loan, etc.)
Insurance
Automobile Expense
Utilities (Gas, Electricity, Water, Telephone, etc.)
Depreciation and Amortization
Repairs and Maintenance
Advertising
Supplies, Office Expenses, Photocopies, etc.
Bad Debts
Miscellaneous Operating Expenses (See Attached)
Total other operating costs & Expenses
Total Operating Expenses
Net Gain/Loss from Business Operations

B. Not Related to Business Operations:**INCOME**

Interest Income
Other Non-Operating Revenues (Specify)
Gross Proceeds on Sale of Assets
Less: Original Cost of Assets plus Expenses of Sale
Net Gain/Loss on Sale of Assets
Total Non-Operating Income

EXPENSES

Legal and Professional Fees (Specify)
Other Non-Operating Expenses (Specify)
Total Non-Operating Expenses
Net Gain/Loss Not from Business Operations
NET INCOME / LOSS FOR PERIOD

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	-	-
Overdue - 31 - 60 Days	-	-
Overdue - 61 - 90 Days	-	-
Overdue - 91 - 120 Days	67	-
Overdue - Over 121 Days	251	414,290
TOTAL	318	414,290

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (I.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: _____

N/A

Gross Sales Subject to Sales Tax for Period: _____

N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes			N/A
State Payroll and Withholding Taxes			N/A
State Sales and Use Taxes			-
Real Property Taxes			-

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	6/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	St. Paul/Acordia	See Below	6/1/2005	7/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	985,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	6/1/2005	7/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	6/1/2005	7/1/2004

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

None


9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owed
6/30/2003	None	\$ 250	8/1/2003	\$ 250	3902	\$ -
9/30/2003	5,332,810	\$ 250	11/20/2003	\$ 250	4690	\$ -
9/30/2003	5,332,810	\$ 7,750	12/29/2003	\$ 7,750	4888	\$ -
12/31/2003	9,581,934	\$ 12,000	2/26/2004	\$ 12,000	5165	\$ -
3/31/2004	202,506	\$ 1,250	5/5/2004	\$ 1,250	5322	\$ -

I, (Name/Title): Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: June 12, 2004


 Debtor in Possession or Trustee
 Secretary/Treasurer

Botanicals International Extracts, Inc.

May 31, 2004

(dollars in thousands)

	Current Month Actual	One Month Ended Year-to-date Actual
Sales	180	360
Cost of Sales	-	-
Gross margin	180	360
Sales and marketing	-	-
G & A expenses	-	-
Total	-	-
Contribution	180	360
Corporate Services	-	-
Operating income (loss)	180	360
Interest expense	-	-
Profit (Loss) before Other Income (Expense) & Discontinued Operation	180	360
Gain/(Loss) on Disposal of Assets	-	-
Chapter 11 Reorganization Costs	-	-
Profit (loss) before tax	180	360
Income taxes	-	-
Net income (loss)	180	360

Miscellaneous Operating Expenses		

Total Miscellaneous Operating Expenses

Legal and Professional Fees		

Total Legal and Professional Fees

Other Non-Operating Expenses

Total Other Non-Operating Expenses

In re: Hauser Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18795-BB

Debtor In Possession Operating Report

Report Number: 14

For the period: FROM: May 1, 2004 TO: May 31, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	3,071	30,000
Overdue - 31 - 60 Days	-	-
Overdue - 61 - 90 Days	(4,906)	-
Overdue - 91 - 120 Days	-	15,165
Overdue - Over 121 Days	3,197	369,169
TOTAL	1,362	414,334

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
GE Capital	Monthly	198	2/12/2004	1	198
Bay 4 Capital	Monthly	1,000	5/15/2004		

* Explanation for Non-Payment:

The Hauser equipment under the GE Capital lease has been returned and we are awaiting a final reconciliation of amounts due.

4. Tax Liability:

Gross Payroll Expense for Period:

Gross Sales Subject to Sales Tax for Period:

N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		291
Real Property Taxes			

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Stutman, Treister & Glatt	Attorney	\$ 908,000
Kaye Scholer LLP	Attorney	\$ 422,000
Peitzman, Glassman, Weg & Kempinsky LLP	Attorney	\$ 47,000
Hogan & Hartson, LLP	Attorney	\$ 97,000
BDO Seidman	Accountant	\$ 10,000
Deloitte & Touche LLP	Accountant	\$ 56,000
FTI	Accountant	\$ 50,000
Willkie Farr & Gallagher	Attorney	\$ 99,000

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

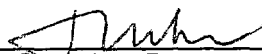
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2004	6,997,191	\$ 10,000	8/7/2003	\$ 10,000	3946	\$ -
9/30/2004	3,108,371	\$ 10,000	11/6/2003	\$ 10,000	4630	\$ -
12/31/2004	3,447,790	\$ 6,000	2/26/2004	\$ 6,000	5161	\$ -
3/31/2004	1,185,120	\$ 5,000	5/5/2004	\$ 5,000	5321	\$ -

I, (Name/Title:) Thomas W. Hanlon, Chief Financial Officer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: June 12, 2004


 Debtor in Possession or Trustee
 Chief Financial Officer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	6/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	St. Paul/Acordia	See Below	6/1/2005	7/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	985,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	6/1/2005	7/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liabili	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	6/1/2005	7/1/2004

Hauser, Inc.
May 31, 2004
(dollars in thousands)

	Current Month <u>Actual</u>	One Month Ended Year-to-date <u>Actual</u>
Sales	\$30	\$30
Cost of Sales	<u>\$30</u>	<u>\$30</u>
Gross margin	0	0
 Sales and marketing	0	0
G & A expenses	<u>88</u>	<u>211</u>
Total Operating Cost	<u>88</u>	<u>211</u>
Contribution	<u>(88)</u>	<u>(211)</u>
 Corporate Services	<u>(20)</u>	<u>(40)</u>
Operating income (loss)	<u>(68)</u>	<u>(171)</u>
 New products expense	0	0
Interest expense	<u>0</u>	<u>0</u>
Profit (Loss) before Other Income	<u>(68)</u>	<u>(171)</u>
 Gain/Loss on Sale of Equipment	8	8
Income from Discontinued Operations	0	150
Chapter 11 Reorganization Costs	<u>(125)</u>	<u>(260)</u>
Profit (loss) before tax	<u>(185)</u>	<u>(273)</u>
 Income taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u>(185)</u>	<u>(273)</u>

Miscellaneous Operating Expenses		
Total Miscellaneous Operating Expenses		

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		

COPY

Office of the United States Trustee

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Operating Report

Report Number: 14

For the period-

FROM: May 1, 2004
TO: May 31, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	137,717	278,084
Overdue - 31 - 60 Days		84,307
Overdue - 61 - 90 Days		98,421
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		
TOTAL	137,717	460,812

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
US Filter	Semi-annual	110	11/4/2004	None	
US Filter	Quarterly	63	6/15/2004	None	
GE Capital	Monthly	589	6/12/2004	None	
Advanced Trailer Leasing	Monthly	134	6/14/2004	None	
Pure Water	Monthly	264	6/16/2004	None	
Quantum	Monthly	355	6/30/2004	None	
6800 Broadway Bsn Ctr	Monthly	26,672	6/1/2004	None	
Woodspear Properties	Monthly	17,116	6/1/2004	None	

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: 156,251
Gross Sales Subject to Sales Tax for Period: N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	by - 5/30/2004	39,916	-
State Payroll and Withholding Taxes	by - 5/30/2004	5,459	-
State Sales and Use Taxes	by - 7/20/2004	-	332
Real Property Taxes			

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation Liability				
Fire and Extended Coverage Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

A. Has the Debtor in Possession provided consultation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

None

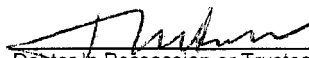
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003	1,287,397	5,000	8/12/2003	5,000	11613	0
9/30/2003	1,444,749	5,000	11/6/2003	5,000	11986	0
12/31/2003	1,284,036	5,000	2/12/2004	5,000	12324	0
3/31/2004	1,066,177	5,000	5/6/2004	5,000	12603	0

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: June 12, 2004


Debtor in Possession or Trustee
Title - Secretary / Treasurer

Liability	Taxes Debited	
Recap		
	Federal Income Tax	9,290.20
	Excess Income Credit Advances	.00
	Social Security - EE	5,029.12
	Social Security - ER	5,029.00
	Social Security Adv - EE	.00
	Medicare - EE	1,178.15
	Medicare - ER	1,178.10
	Medicare Adv - EE	.00
	Federal Unemployment Tax	483.00
	State Income Tax	2,346.00
	State Unemployment Insurance - EE	.00
	State Unemployment Insurance - ER	39.00
	State Unemployment Insurance Adv - EE	.00
	State Disability Insurance - EE	.00
	State Disability Insurance Adv - EE	.00
	Workers' Benefit Fund Assessment - EE	.00
	Workers' Benefit Fund Assessment - ER	.00
	Local Income Tax	.00
	School District Tax	.00
	Total Taxes Debited	24,689.87

Total Liability	
65,428.06	
74,956.39	
82,697.70	
82,697.70	

Includes Adjustments that are your responsibility

65,428.06

Other Transfers	ADP Direct Deposit	Account Number	4945086361	24,689.87
	Total Amount Debited From Year Account	Account Number	4945086361	40,738.19
Bank Debts and	Checks			9,528.93
Other Liability	Adjustments/Payroll/Voids			7,740.71
Taxes - Your Responsibility	Net This Payroll			

Period Ending : 05/08/2004 Week 20
Pay Date : 05/13/2004 Page 1
Current Date : 05/10/2004

Batch : 3651
Quarter Number: 2

HAUSER TECH SERVICES
Company Code: MBA
Region Name: DESERT MOUNTAIN

Statistical Summary
Recap



© 1994 ADP, All Rights Reserved.

	Credits	Debits	Total
Net Pay	9,578.93		9,578.93
Gross Deposits	40,738.19		40,738.19
Subtotal Net Pay			50,267.12
Adjustments	7,740.71		7,740.71
Total Net Pay Liability (Net Cash)			58,007.83
Taxes			
Federal			
Agency	RRA	EE withheld	ER contrib.
Federal Income Tax		9,280.28	
Earned Income Credit Advances			
Social Security		5,029.09	
Medicare		1,176.15	
Federal Unemployment Tax		4.03	
Subtotal Federal		15,495.55	6,209.28
State			
CO State Income Tax		2,946.00	
CO State Unemployment Insurance Tax-SE	2.0700		39.04
Subtotal CO		2,846.00	39.04
Total Taxes	.00	28,441.55	6,248.32
Amount ADP Debited From Accounts	434,508,636.1		21,689.87
Transfers			
ADP Direct Deposit		40,738.19	
Amstrut ADP Debited From Account	434,508,636.1		40,738.19
Total Amount ADP Debited From Your Accounts			65,428.06

Period Ending : 05/08/2004 Week 20
Pay Date : 05/13/2004 Page 2
Current Date : 05/10/2004

Batch: 3651
Quarter Number: 2

HAUSER TECH SERVICES
Company Code: **MBA**
Region Name: **DESERT MOUNTAIN**

Statistical Summary Detail

ॐ

Liability Recap		Taxes Debited	
	Federal Income Tax	7,880.24	
	Federal Unemployment Insurance	.00	
	State Unemployment Insurance - EE	4,307.81	
	State Social Security - EE	4,307.80	
	State Social Security Adv. - EE	.00	
	Medicare - EE	1,007.41	
	Medicare Adv. - EE	1,007.41	
	Federal Unemployment Tax	.00	
	State Income Tax	2,468.00	
	State Unemployment Insurance - EE	.00	
	State Unemployment Insurance Ins. - EE	28.45	
	State Unemployment Insurance Adv. - EE	.00	
	State Disability Insurance - EE	.00	
	State Disability Insurance Adv. - EE	.00	
	Workers' Benefit Fund Assessment - EE	.00	
	Workers' Benefit Fund Assessment - EE	.00	
	Local Income Tax	.00	
	School District Tax	.00	
	Total Taxes Debited	20,685.74	
Other Transfers	ADP Direct Deposit	40,035.32	60,720.56
	Total Amount Debited From Your Account		
Bank Debits and	Checks	2,455.64	
Other Liability	Adjustments/Payroll/Notes	.00	
Taxes - Your	None This Period		
Responsibility			
	Total Liability		70,176.20

ADP Statistical Summary
 Company Code: MBA
 Region Name: DESERT MOUNTAIN

Batch: 5157
 Quarter Number: 2
 Period Ending: 05/22/2004
 Pay Date: 05/27/2004
 Current Date: 05/24/2004
 Week 22
 Page 1

Net Pay		You are responsible for		Amount debited from your account	
		EE withheld	ER contrib.	EE withheld	ER contrib.
Checks	9,455.64				
Direct Deposits	40,035.32				
Subtotal Net Pay	49,490.96				
Adjustments	.00				
Total Net Pay Liability (Net Cash)					
Taxes					
Federal		Ratio			
Federal Income Tax				2,580.24	
Federal Income Credit Advance					
Social Security				4,307.81	4,307.80
Medicare				1,007.47	1,007.47
Federal Unemployment Tax					
Subtotal Federal				12,895.52	6,316.27
State					
CO State Income Tax				2,446.00	
CO State Unemployment/Disability Ins. ER	2.0200				28.45
Subtotal CO				2,446.00	28.45
Total Taxes			.00	15,391.52	6,343.72
Amount ADP Debited From Account	4945086361		TransABA	121000240	
Other					
ADP Direct Deposits				40,035.32	
Amount ADP Debited From Account	4945086361		TransABA	121000240	
Total Amount ADP Debited From Your Accounts					

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	6/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	St. Paul/Acordia	See Below	6/1/2005	7/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	985,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	6/1/2005	7/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	6/1/2005	7/1/2004

Hauser Technical Services
Hauser Contract Research Organization
Summary Income Statement
May 31, 2004
(dollars in thousands)

	<u>Month</u> Actual	<u>Year-to-date</u> Actual
Sales	\$218	\$428
Cost of sales	381	642
Gross margin	<u>(163)</u>	<u>(214)</u>
Sales and marketing	6	16
G & A expenses	<u>19</u>	<u>41</u>
Total	<u>25</u>	<u>57</u>
Contribution	(188)	(271)
Corporate Services	<u>20</u>	<u>40</u>
Operating income (loss)	<u>(208)</u>	<u>(311)</u>
Interest expense	0	0
Reorganization Costs	0	(5)
Profit (loss) before tax	<u>(S208)</u>	<u>(S316)</u>

CONFIDENTIAL

Printed 6/15/2004

**In re: Hauser Technical Services, Inc.
A Delaware Corporation**

Debtor In Possession Operating Report
Report Number: 14

[illegible]

Total Miscellaneous Operating Expenses

Legal and Professional Fees		
	None	

Total Legal and Professional Fees

Other Non-Operating Expenses		
	None	

Total Other Non-Operating Expenses

COPY

Office of the United States Trustee

In re: Zetapharm Inc.
A New York Corporation

Debtor

Chapter 11 Case No: LA 03-18802-BB

Debtor In-Possession Operating Report

Report Number: 14

For the period- 2001 JUN 15 2002

FROM: May 1, 2004
TO: May 31, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:			
		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
	Net Sales		
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
	Cost of Goods Sold		
	Gross Profit		
Other Operating Revenues - Rentals			
	Total Income		
		EXPENSES	
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
	Total Employee wages, benefits, and pensions		
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
	Total Taxes		
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
	Total other operating costs & Expenses		
	Total Operating Expenses		
	Net Gain/Loss from Business Operations		
B. Not Related to Business Operations:			
		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
	Dated: June 12, 2004		
	Total Non-Operating Income		
		EXPENSES	
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
	Total Non-Operating Expenses		
	Net Gain/Loss Not from Business Operations		
	NET INCOME / LOSS FOR PERIOD		

No activity for this period

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	None	-
Overdue - 31 - 60 Days		-
Overdue - 61 - 90 Days		-
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		19,525
TOTAL	-	19,525

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
None					

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period:

None

Gross Sales Subject to Sales Tax for Period:

None

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		
Real Property Taxes	None		

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Dated: June 12, 2004

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report.		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

None

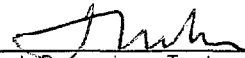
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owed
6/30/2003	None	\$ 250	8/1/2003	\$ 250	3903	\$ -
9/30/2003	None	\$ 250	11/6/2003	\$ 250	4630	\$ -
12/31/2003	None	\$ 250	2/26/2004	\$ 250	5166	\$ -
3/31/2004	None	\$ 250	5/4/2004	\$ 250	5323	\$ -

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: June 12, 2004


 Debtor In Possession or Trustee
 Secretary/Treasurer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	6/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	St. Paul/Acordia	See Below	6/1/2005	7/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	985,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	6/1/2005	7/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	6/1/2005	7/1/2004

Dated: June 12, 2004

Miscellaneous Operating Expenses		
Total Miscellaneous Operating Expenses		

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		